

RECORD OF EXECUTIVE DECISION

Tuesday, 13 February 2018

Decision No: (CAB 17/18 20159)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	FINANCE
SUBJECT:	THE REVISED MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2018/19 to 2021/22
AUTHOR:	Sue Cuerden

THE DECISION

General Fund

- i) Note the position on the forecast adverse outturn position for 2017/18 as set out in paragraphs 32 to 38.
- ii) Note the revised Medium Term Financial Strategy 2018/19 to 2021/22 as detailed in Appendix 2.
- iii) Note the aims and objectives of the Medium Term Financial Strategy which will be presented to council for approval on 21 February 2018.
- iv) Note that the Executive's budget proposals are based on the assumptions detailed within the MTFS and that this includes a council tax increase of 5.99 %, 2.99% under general powers to increase council tax without a referendum and 3.00% Social Care Precept in 2018/19.
- v) To note that the report identifies additional general fund pressures totalling £10.07M in 2018/19 as detailed in paragraphs 42 to 46 and 58 to 59 along with the proposed funding mitigations.
- vi) To note that the report identifies direct investment in services totalling £2.46M, with a further sum of £1.18M invested in an Enterprise Resource Planning Programme in 2018/19 as detailed in paragraph 60 along with the proposed funding mitigations.
- vii) To note that further proposals will need to be considered to address the 2019/20 and future years budget gap.
- viii) Notes and recommends to council where appropriate, the MTFS and General Fund Revenue Budget changes as set out in council recommendations i) to xiv).

Housing Revenue Account

- xi) To note that, from 1st April 2018, a standard decrease be applied to all dwelling rents of 1.0%, as set out in paragraph 107 of this report, equivalent to an average decrease of £0.85 per week in the current average weekly dwelling rent figure of £84.57.
- x) To note an increase in weekly service charges of 3% from 1st April 2018

- (including supported accommodation) based on a full cost recovery approach – as detailed in paragraph 108.
- xi) To note an increase in the charges to council tenants for garages by 15% and parking spaces by 10% from 1st April 2018 as detailed in paragraph 106.
 - xii) To note savings totalling of £3.94M in 2018/19 as laid out in Appendix 9.
 - xiii) To note and recommend the Housing Revenue Account Revenue Estimates as set out in the report.
 - xiv) To note the 30 year Business Plans for revenue and capital expenditure set out in Appendices 7 and 8 respectively, that based on current assumptions are sustainable and maintain a minimum HRA balance of £2M in every financial year.
 - xv) To note that rental income and service charge payments will continue to be paid by tenants in 48 instalments across a 52 week period.

REASONS FOR THE DECISION

1. The council is a large and complex organisation managing the delivery of a vast range of businesses either directly or through/with others. Its core purpose is to improve the quality of life for residents and effective financial management is key to this. It is important that Members are aware of the major financial opportunities and challenges and that they make informed decisions. The council regularly revises its Medium Term Financial Strategy (MTFS) so that the financial position is clear for budget proposals to be drawn up for the forthcoming year.
2. The council introduced a focused approach on Outcomes Based Planning and Budgeting in 2017/18 which looks at utilising decreasing resources towards agreed priorities and outcomes. Work will continue to further refine this process.
3. The council approved a two year balanced budget for 2017/18 and 2018/19. However, additional pressures have been identified which need to be mitigated in 2018/19. These have been addressed through increased income; central government funding changes; the revision of centrally held funds and from a review of treasury management requirements. At this stage there are no new savings proposals identified within the General Fund however, savings proposals are proposed with regards to the HRA. None of the savings proposals seeking approval at this stage require consultation.
4. The Constitution requires the Executive to recommend its budget proposals for the forthcoming year to full council. The recommendations contained in this report set out the various elements of the budget that need to be considered and addressed by the Cabinet in preparing the final papers that will be presented to full council.

DETAILS OF ANY ALTERNATIVE OPTIONS

1. Alternative options for revenue spending and MTFS assumptions form an integral part of the development of the overall MTFS that will be considered at the council budget setting meeting on 21 February 2018.
2. Part of setting the General Fund Budget and Medium Term Financial Strategy and Model requires a view to be taken on the revenue cost of capital to the

Authority and proposals have been considered by the council's Capital Board in order to ensure the most appropriate use of capital resources in meeting the council's desired outcomes and the Executive commitments. A Capital Strategy and Programme Update report is included elsewhere on the agenda, and the latest position is included in the MTFs Model.

3. This report sets out the HRA revenue budgets for 2018/19 and the 30 year HRA business plan covering the period 2018/19 to 2047/48. The proposed changes to rents and other charges are an integral part of the revenue estimates for 2018/19.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

Updated Appendix 1 and updated Annex 1 in Appendix 2 circulated and approved at the meeting, attached.

CONFLICTS OF INTEREST

None

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 13 February 2018

Decision Maker:
The Cabinet

Proper Officer:
Pat Wood

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in (*if applicable*) (*this suspends implementation*)

Call-in Procedure completed <i>(if applicable)</i>
Call-in heard by <i>(if applicable)</i>
Results of Call-in <i>(if applicable)</i>